

Tobacco Settlement Trust Fund Appropriations Bill Senate File 533

Last Action:

**Senate Appropriations
Committee**

April 19, 2001

An Act relating to and making appropriations to the tobacco settlement trust fund and providing a contingent effective date.



LEGISLATIVE FISCAL BUREAU NOTES ON BILLS AND AMENDMENTS (NOBA)

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 533
TOBACCO SETTLEMENT TRUST FUND
APPROPRIATIONS BILL**

RECEIPTS TRANSFER

- Transfers gaming receipts that are currently dedicated to infrastructure projects to the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund, contingent upon enactment of SF 532, which authorizes securitizing the payments due to Iowa from the Tobacco Master Settlement Agreement. (Page 1, Line 1 through Line 13)

ENDOWMENT FOR IOWA'S HEALTH
ACCOUNT

- States the amount of gaming receipts transferred to the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund for FY 2002 through FY 2007, contingent upon the enactment of SF 532. (Page 1, Line 14 through Line 19)

GENERAL FUND CONTINGENT
APPROPRIATIONS

- Requires gaming receipts in excess of the amounts in Section 1 of this Bill to be deposited in the Rebuild Iowa Infrastructure Fund (RIIF). (Page 1, Line 20 through Line 27)
- Makes contingent General Fund appropriations for FY 2002 through FY 2007 to the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund if tobacco receipts are securitized. (Page 1, Line 28 through Page 2, Line 4)

NONREVERSION CLAUSE

- States that moneys deposited in or appropriated to the Tobacco Settlement Trust Fund remain in the Fund and do not revert to the General Fund. (Page 2, Line 5 through Line 9)

CONTINGENT EFFECTIVE DATE

- States that this Bill takes effect if SF 532 is enacted, and only if the Tobacco Settlement Authority securitizes the payments due to Iowa under the Tobacco Master Settlement Agreement. (Page 2, Line 10 to Line 15)
- States that if all contingencies are met, the effective date of this Act is the effective date of the receipt of the bond proceeds by the Tobacco Settlement Authority and the deposit of the proceeds of the tax-exempt bonds and the taxable bonds in the respective accounts of the Tobacco Settlement Trust Fund. (Page 2, Line 16 through Line 22)

Senate File 533

Senate File 533 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	2	1.1	Nwthstnd	Sections 99D.17, 99F.11, 8.57(5)(e)	Transfers Gaming Receipts
1	20	1.2	Nwthstnd	Section 8.60	Certain Gaming Receipts Deposited in the Rebuild Iowa Infrastructure Fund (RIIF)
2	5	2.2	Nwthstnd	Section 8.33	Nonreversion of Tobacco Settlement Trust Fund

1 1 Section 1. TOBACCO SETTLEMENT TRUST FUND.

1 2 1. Notwithstanding provisions to the contrary in sections
 1 3 99D.17 and 99F.11, and notwithstanding provisions to the
 1 4 contrary in section 8.57, subsection 5, paragraph "e", and
 1 5 following deposits in the general fund of the state, the
 1 6 vision Iowa fund created in section 12.72, and the school
 1 7 infrastructure fund created in section 12.82, pursuant to
 1 8 section 8.57, subsection 5, paragraph "e", for the designated
 1 9 fiscal years, the following moneys received pursuant to
 1 10 sections 99D.17 and 99F.11 shall be deposited in the endowment
 1 11 for Iowa's health account of the tobacco settlement trust fund
 1 12 created in section 12E.12 for the purposes specified in
 1 13 section 12E.12 for the endowment for Iowa's health account:

1 14 FY 2001-2002 \$ 80,000,000
 1 15 FY 2002-2003 \$ 75,000,000
 1 16 FY 2003-2004 \$ 70,000,000
 1 17 FY 2004-2005 \$ 70,000,000
 1 18 FY 2005-2006 \$ 70,000,000
 1 19 FY 2006-2007 \$ 70,000,000

1 20 The total moneys received pursuant to sections 99D.17 and
 1 21 99F.11 in a fiscal year, in excess of the moneys received
 1 22 pursuant to sections 99D.17 and 99F.11 and deposited in the
 1 23 general fund of the state, the vision Iowa fund, the school
 1 24 infrastructure fund, and the tobacco settlement trust fund,
 1 25 shall be deposited in the rebuild Iowa infrastructure fund and
 1 26 shall be used as provided in section 8.57, notwithstanding
 1 27 section 8.60.

1 28 2. There is appropriated from the general fund of the
 1 29 state to the endowment for Iowa's health account of the

CODE: Transfers gaming receipts that are currently dedicated to infrastructure projects to the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund, contingent upon the enactment of SF 532, which authorizes securitizing the payments due to Iowa from the Master Settlement Agreement.

Limits the amount of gaming receipts transferred to the Endowment for Iowa's Health Account for FY 2002 through FY 2007, if tobacco receipts are securitized.

CODE: Requires gaming receipts in excess of the amounts in Section 1 of this Bill, to be deposited in the Rebuild Iowa Infrastructure Fund (RIIF).

Makes contingent General Fund appropriations for FY 2002 through FY 2007 to the Endowment for Iowa's Health Account of the Tobacco

1 30 tobacco settlement trust fund created in section 12E.12, for
 1 31 the designated fiscal years, the following amounts, to be used
 1 32 for the purposes specified in section 12E.12 for the endowment
 1 33 for Iowa's health account:

1 34 FY 2001-2002 \$ 7,248,000
 1 35 FY 2002-2003 \$ 27,087,000
 2 1 FY 2003-2004 \$ 28,251,000
 2 2 FY 2004-2005 \$ 29,785,000
 2 3 FY 2005-2006 \$ 29,562,000
 2 4 FY 2006-2007 \$ 17,773,000

Settlement Trust Fund if tobacco receipts are securitized.

2 5 Sec. 2. NONREVERSION. Notwithstanding section 8.33,
 2 6 moneys deposited in or appropriated to the tobacco settlement
 2 7 trust fund under this Act that remain unencumbered or
 2 8 unobligated at the close of any fiscal year shall be retained
 2 9 in the tobacco settlement trust fund.

CODE: States that moneys deposited in or appropriated to the Tobacco Settlement Trust Fund remain in the Fund and do not revert to the General Fund.

2 10 Sec. 3. CONTINGENT EFFECTIVE DATE. This Act shall take
 2 11 effect only if 2001 Iowa Acts, Senate File 532 is enacted and
 2 12 only if the tobacco settlement authority established in
 2 13 chapter 12E securitizes tobacco master settlement agreement
 2 14 payments sold to the authority pursuant to 2001 Iowa Acts,
 2 15 Senate File 532.

States that this Bill takes effect if SF 532 is enacted, and only if the Tobacco Settlement Authority securitizes the payments due to Iowa under the Master Settlement Agreement.

2 16 If the contingencies of this section are met, the effective
 2 17 date of this Act shall be the effective date of the receipt of
 2 18 the bond proceeds by the tobacco settlement authority and the
 2 19 deposit of the proceeds of the tax-exempt bonds and the
 2 20 taxable bonds in the respective accounts of the tobacco
 2 21 settlement trust fund pursuant to chapter 12E, and
 2 22 specifically pursuant to section 12E.9.

States that if all contingencies are met, the effective date of this Act is the effective date of the receipt of the bond proceeds by the Tobacco Settlement Authority and the deposit of the proceeds of the tax-exempt bonds and the taxable bonds in the accounts of the Tobacco Settlement Trust Fund.

2 24 This bill provides for the deposit of moneys in and the
2 25 appropriation of moneys to the tobacco settlement trust fund.
2 26 The bill provides for deposit of moneys from gambling
2 27 revenues, following deposits in the general fund, the vision
2 28 Iowa fund, and the school infrastructure fund, for the fiscal
2 29 period beginning July 1, 2001, and ending June 30, 2007, in
2 30 the endowment for Iowa's health account of the tobacco
2 31 settlement trust fund. The bill also appropriates moneys from
2 32 the general fund of the state to the tobacco settlement trust
2 33 fund for the fiscal period July 1, 2001, and ending June 30,
2 34 2007.
2 35 The bill takes effect only if 2001 Iowa Acts, Senate File
3 1 532, is enacted and only if the tobacco settlement authority
3 2 securitizes the tobacco master settlement agreement payments
3 3 sold to the authority. If these contingencies are met, the
3 4 effective date of the bill is the effective date of the
3 5 receipt of the bond proceeds by the tobacco settlement
3 6 authority and the deposit of the proceeds of the tax-exempt
3 7 bonds and the taxable bonds in the respective accounts of the
3 8 tobacco settlement trust fund.
3 9 LSB 3586SV 79
3 10 pf/gg/8.1

Administration and Regulation

General Fund

	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	Senate Approp FY 2002	Senate Approp vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Treasurer of State</u>						
Tobacco Settlement Fund - GF				²¹ \$ 7,248,000	\$ 7,248,000	PG 1 LN 28
Grand Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,248,000	
Contingency ²¹ Tobacco Settlement Fund - GF	\$ 0	\$ 0	\$ 0	\$ 7,248,000	\$ 0	

Contingencies are not included in the totals.

Administration and Regulation

Non General Fund

	Actual FY 1999	Actual FY 2000	Estimated Net FY 2001	Senate Approp FY 2002	Senate Approp vs Est FY 2001	Page & Line Number
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Treasurer of State</u>						
Endowment Fund - Wagering Tax				²¹ \$ 80,000,000	\$ 80,000,000	PG 1 LN 14
Grand Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,000,000	
Contingency ²¹ Wagering Tax Allocation	\$ 0	\$ 0	\$ 0	\$ 80,000,000	\$ 0	

Contingencies are not included in the totals.